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DEPT FOR ISN/MTR, EUR/PRA, AND EUR/RUS

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TAGS: [PARM](#) [MTCR](#) [PREL](#) [MNUC](#) [ETTC](#) [RS](#)  
SUBJECT: RUSSIA NOTIFIED OF ISNPA SANCTIONS

REF: STATE 203587

Classified By: Deputy Chief of Mission Daniel A. Russell. Reasons 1.4 (B/D).

¶1. (S) DCM delivered on December 29 the notification of new U.S. sanctions levied on four Russian entities for violating the Iran-Syria Non-Proliferation Act. In delivering reftel points, the DCM explained the sanctions reflected our serious concern about potentially destabilizing arms transfers and had been based on a thorough U.S. interagency review. The USG would publish in the Federal Register next week a list of new sanctions against entities in ten countries, including Russia.

¶2. (S) Igor Neverov, Director of the Foreign Ministry's North America Department, replied that the U.S. action was not unexpected, given the repeated recent approaches by U.S. officials on arms transfers and potential sanctions. That said, the Russian Government would react negatively to the latest round of sanctions, especially in view of their harmful effect on bilateral relations. Neverov questioned both the sanctions and their timing coming on the heels of successful passage of UNSC Resolution 1737 on Iran and a very positive call between Presidents Bush and Putin. He noted continuing Russian efforts to convince the U.S. that sanctions had been incorrectly applied to Rosoboronexport last July.

¶3. (S) Neverov repeatedly characterized the sanctions as an extraterritorial application of U.S. law, stated that Russian entities were required to comply with Russian law and its export control regime, and pointed out that the cited conventional weapon system transfers were not related to WMD. Speaking preliminarily, he questioned whether the cited transfers violated any international sanction or prohibition. Neverov pointed out that Russia itself remained concerned about arms transfers and noted that the transfer of the Russian S-300 system to Iran was still under review.

¶4. (S) Neverov said that an official Russian response to this latest imposition of sanctions would be forthcoming after the interagency community had a chance to assess U.S. claims. He noted the absence of information on the cited Rosoboronexport case and requested details.

¶5. (S) COMMENT: Neverov's private preliminary reaction was predictable and measured. The public political reaction may be less so. A response to his request for more details on the Rosoboronexport case would be very welcome to help us make the case for sanctions.  
BURNS